

27 April 2007

## **Executive Summary**

Phase one of AFN's Alaska Native Center for Excellence (CFE) is now closed with its final report to the Denali Commission on April 27, 2007. The first phase was a unique opportunity to explore a range of economic issues and ideas around the linkage of poverty reduction to economic growth.

## **Lessons learned:**

1. The Denali Commission and AFN originally envisioned this initiative as a project. It was organized, executed and monitored as a project with specific tasks, task descriptions, timelines, deliverable products, task performance, and budget by goal and completion status. As it proceeded, it became clear that the whole structure of the initiative should have been organized as a hybrid – project + process, as that is the way it really worked on the ground. AFN understood this too late in the process to propose a major revision to the Denali Commission yet continued to try to proceed in a responsible manner dealing with the internal conflicts.
  - a. To explain further, process management is the opposite of a substantive approach to decision-making. The underlying idea is that some problems are 'unstructured'. Unstructured problems are problems for which no unequivocal and/or authoritative solution is available. The two-fold reasons included: no critical information was available that could be measured objectively and there existed no consensus about the relative weight of the criteria used in problem solving.
  - b. Some problems cannot be solved in isolation, but are interrelated with others.
  - c. A major characteristic of the substance of the problems requiring a process design is that they are dynamic. The problem changes over the course of time. New information was discovered as well as generated in the CFE initiative. Our views on the relative weight of the various criteria changed based on the new information. And our attention shifted from finding a correct problem definition and solution to an ongoing process of formulating and solving problems. We realized any solution found today may be obsolete tomorrow – so the process is what became critical.
  - d. The dynamics we encountered in the CFE initiative has both external and internal components: external, as while the CFE started as a project, it developed into a hybrid (Project + process) because external parties interacted with the project contributing their own problem definition and solutions; the internal component included our own learning that the problem is more comprehensive or more complex than originally thought.

- e. The new developments which occurred as a result of activities of the CFE basically redefined both the problems and solutions. This was very exciting as it led to synergy in efforts and created more value over time.
2. The second major lesson we learned is that through the experience of the CFE initiative, we have a clearer vision of the building blocks of a foundation in which to proceed. From this incredibly solid foundation, which is inclusive of many sectors of the Alaska population and economy, a cluster of economic initiatives, local, regional, statewide, national and international can explode in positive results which can make a difference.

### *The Building Blocks*

a. Individual and communities desire for greater self-determination and lessing of dependency on government to take care of basic needs.
b. Growing economic strength of the Native community and economic sectors in Alaska and an equally growing depth of responsible, forward thinking leadership.
c. Outreach and partnership is the key. No one has all the ideas. No one has all the resources to make anything happen. The inter-relatedness of individuals and communities is a strength which continually needs to be supported.
d. The model of leadership forums planned and coordinated by AFN, with support from the Denali Commission and many other partners has been a success. The themes of the forums were innovative and provocative and brought in new thinking into the area of development in Alaska. The model of leadership forums brought together government, the private sector and the non-governmental sectors in positive ways which were new.
e. In 2004, there were two major leadership forums, one in Alaska and one in DC. The first forum was entitled the <i>Leadership Forum on Building Knowledge-based Economies</i> and the second forum in DC was a continuation of the first, with a theme of <i>Knowledge-Economies in a Multi-cultural World</i> .
f. In 2006 there was one leadership forum entitled the <i>Leadership Forum on Fostering Innovation, Economic Growth and Shared Prosperity</i> .
g. During this period and linked into the model of leadership forums,

over thirty *Knowledge Exchange Seminars* were held. With the organizing and planning of the seminars, an incredible number of individuals and organizations became partners in the effort to explore possibilities and help each other.

h. Common themes crystallized as a result.

i. A new cluster of economic initiatives has emerged.

3. The third major lesson was that if you ask people for help – they will help. AFN invited individuals and organizations to organize the best information possible, for presentation in a compressed two hour seminar to add to the leadership forums. Hundreds of individuals stepped forward and helped. If you review the titles of the Knowledge Exchange Seminars you will get a clear sense of the range of problems and solutions identified, and what is on people's minds.

#### *Knowledge Exchange Seminars – Further Details*

<b>An Overview of the Challenges &amp; Opportunities for Expanding the Private Sector in Alaska</b>
<b>Development Bank Model: Lessons Learned</b>
<b>Development with Identity</b>
<b>The Role of Financial Services &amp; Alaska Native &amp; Indigenous Communities</b>
<b>Education in Our Own Backyard: Building Knowledge Capacity in Rural Alaska</b>
<b>Participation in an Interactive Decision-making Experiment</b>
<b>The Alaska Permanent Fund, Investing in our Future</b>
<b>Indigenous Ownership of Economic Initiatives</b>
<b>Arts &amp; Rural Development</b>
<b>Arctic Trade</b>
<b>Broadening Perspectives: Place-based Education as a Foundation for Knowledge-based Economies</b>
<b>The ANCSA Corporation, A Unique Model</b>
<b>Cultural Strengths: The Foundation for Native Economies</b>
<b>Impact of Climate Change on Arctic Communities</b>
<b>Western Alaska: Community Development Quota Program</b>
<b>Best Practices of Alaska Native Tribal Governments</b>
<b>8(a) Government Contracting: An Economic model</b>
<b>Poverty-reduction Link to Economic Growth: the Millennium Challenge Corporation</b>
<b>Climate Change: Are Alaska Natives Sentries for the Rest of the World?</b>
<b>Current Issues in Energy &amp; Development</b>
<b>Information Systems &amp; Infrastructure: The Backbone for Workforce Development</b>
<b>Investing in Entrepreneurs Beyond Scholarships &amp; Grants: Investments that Yield Lasting Results</b>

<b>Global Best Practices in Logistics: The Wal-Mart Experience</b>
<b>Social Entrepreneurship for Nonprofit &amp; Tribal Consortiums</b>
<b>Financing Your Start-up: Overcoming Barriers</b>
<b>8(a) Government Contracting – Job Creation in Villages</b>
<b>Native Internet Empowerment and Rural E-Commerce</b>
<b>Pandemic Influenza – Planning &amp; Preparedness</b>
<b>Culture &amp; Development in a Globalizing World</b>
<b>Alaska Marketplace Partnership Seminar – Building on Success in 2007</b>

4. The fourth major lesson learned, is that out of this project/process some very important common themes crystallized. For example: the need to level the playing field in the economy; to change the investment climate to incentivize job creation & economic opportunities on the village and community level (tax credits & guarantees); need to increase productivity to become more competitive in the national and global economy; need for government and private sector support for more demonstration projects to support innovation & new thinking (hundred of more demonstration projects and experiments); building a knowledge-economy in Alaska will require greater support for the four inter-related areas of education & human services, innovation systems, information systems and capacity-building; need for high speed telecommunications as a national priority; and the need for innovative approaches to workforce development
  
5. The fifth major lesson learned, was that out of this project/process a whole new cluster of economic initiatives has arisen as timely and potentially viable. For example: the Alaska Marketplace business idea competition has been a successful innovative project with strong private sector support from two of the largest companies in Alaska – BP and Conoco Phillips. It fills a niche in the state and creates enthusiasm and hope among aspiring entrepreneurs. The work of the CFE on a domestic version of the Millennium Challenge Account has produced a national initiative which has a very good chance of being enacted into federal law. Other pending economic initiatives which are still under development include: an “Arctic Knowledge Village” – a vibrant, connected learning community – developing our talent & accelerating our move to a knowledge economy; the evaluation of how to structure a feasibility study, and eventual demonstration project of the first outsource free trade zone in the North; how to study & showcase best practices – support lots of experiments (pilots) to test which economic initiatives have the ability to “stick” and produce results; and finally, how to scale up success.
  
6. The sixth major lesson learned dealt with our work on results-based management. The CFE analyzed three different types of models and included recommendations. The three models included: Rural Cap’s ROMA process, the US Office of Management & Budget (OMB) process; and the

model used by the multi-lateral development bank – the Asian Development Bank whose geographic coverage includes over 40 different countries. Each process had substantial merit and each offered components that could be incorporated to develop a better management tool: 1) the need for critical information to management throughout the entire length of the initiative, facilitate integration of lessons learned; 2) statement of fundamental principles that will guide the management process; and 3) includes a reporting and internal evaluation component. The practical aspect of this exercise was to raise the visibility of the need for greater accountability in the use of federal resources and the different models available for use. This analysis was made available to major tribal consortiums and posted on the AFN website.

7. Finally, the last major lesson learned came from the major sub-award of the CFE to the Native American Contractors Association (NACA). Bringing in specialized expertise can speed up knowledge exchange on complex subjects such as government contracting under the 8(a) federal program. The NACA produced: a Social & Economic Impact Report on 8(a) Government Contracts; a complete report and standards guide entitled “The Native Owned 8(a) Company Success Stories & Business Practice Standards Guide for Ethics & Management Tools; In addition to the written reports, NACA will be providing the data files, models and training on how to use the economic model to periodically update the analysis. The report discusses the status of small business access and opportunity in the federal procurement market, identifying and analyzing the factors that impede small business participation in the federal market and the role of Native American contractors in this market. NACA assisted in building networks to expand economic opportunities in real practical ways; participated in AFN’s 2006 leadership forum presenting a seminar on work in progress; finally NACA will provide CFE and the Denali Commission the IMPLAN software to calculate “impact” data.

In conclusion, the project/process of the CFE produced some valuable work products and relationships which go beyond the life of this phase. The CFE had a very small hardworking, dedicated staff that produced this work, despite the very real handicap placed on the initiative by the Denali Commission’s refusal to fund any indirect costs despite the fact that AFN had federally negotiated indirect rate.